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	Financial Administration EPA/CORPS SUPERFUND PROGRAM - FINANCIAL CLOSEOUT OF IAG	
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CEMP-R

DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
Washington, D.C. 20314-1000

ER 37-5-3

Regulation
No. 37-5-3

30 June 1994

Financial Administration
EPA/CORPS SUPERFUND PROGRAM
FINANCIAL CLOSEOUT OF INTERAGENCY AGREEMENTS

1. Purpose. This regulation provides general policy and guidance for establishing procedures governing financial closeout of Interagency Agreements (IAGs) between the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (USACE) to be executed under the EPA Superfund Program. It covers IAGs involving both the Direct Cite and Reimbursable Funding Methods.

2. Applicability. This regulation applies to all USACE elements, major subordinate commands (MSC), districts and laboratories performing activities which are covered by an EPA/USACE IAG to be executed under the EPA Superfund Program.

3. References.

a. ER 37-2-10, Financial Administration, Accounting and Reporting - Civil Works.

b. ER 1110-2-500, Corps/EPA Superfund Program Funding and Reporting Requirements.

c. Hazardous, Toxic and Radioactive Waste Management Plan, 17 June 1988, Directorate of Engineering and Construction.

4. Policy.

a. It is USACE policy to financially close out IAGs under the EPA Superfund Program as expeditiously as possible. Closeout is required when: (1) EPA and USACE have acknowledged that all work under the IAG is complete and final payment has been made; (2) the IAG has expired and an extension has not been requested; or (3) notification of the termination of the USACE assignment is received from EPA. When all projects or work assignments funded by a particular IAG are fiscally complete, the performing activity (which accepted the IAG) will send a letter to the issuing EPA Office with a copy to the Missouri River Division Budget Office (CEMRD-RM-B). The letter will state that the project is fiscally complete, and give the total amount of funds utilized and the amount of excess funds to be revoked, if any. The performing activity will retain any excess funds on its books, until written notification is received from EPA officially withdrawing the funds.

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b. IAGs shall not be financially closed until all of the following conditions have been met:

- (1) All goods and/or services have been received.
- (2) All claims are resolved.
- (3) All Architect-Engineer issues are resolved.
- (4) Confirmation that final payment has been made.

Note: In the case of the Direct Cite funded IAGs, confirmation is required that the final payment has been made by EPA's Cincinnati Financial Management Center (CFMC) to the contractor(s).

(5) Confirmation that all EPA Superfund receivables have been collected from CFMC.

5. General. General information on reporting financial closeouts follows (Note: All work assignments will be made in accordance with guidance furnished by CEMP-RS.):

a. There are three types of IAGs currently used under the Superfund Program. They are: Management and Support (M&S), Generic (Multi-Site), and Site-Specific.

(1) Management and Support IAG. Management and Support IAGs are used for non site-specific funding and are provided from Headquarters EPA to HQUSACE (CEMP-R). Note: For M&S activities assigned to MSCs, HQUSACE will issue funding using DD Form 448, Military Interdepartmental Purchase Request (MIPR).

(2) Generic (Multi-Site). Generic IAGs are used for future work at several sites in cases where site-specific assignments have not yet been identified. The intent of generic IAGs is to expedite funding for small repetitive assignments such as technical assistance. Note: EPA Work Authorization Forms, as addressed in OSWER Directive 9295.0-01, will be forwarded to CEMRD-RM-B by the originating EPA Region(s) to designate site-specific assignments under the generic IAG. CEMRD-RM-B will review the Work Authorization Form for tasking assignments and conformance with the EPA/USACE National IAG (Memorandum of Understanding).

(3) Site-Specific IAG. Site-Specific IAGs will be issued for all work assignments (remedial investigation and feasibility study, remedial design and remedial action, oversight of potentially responsible parties, technical assistance, etc.) except where identified in paragraph 5a(2). Funding from the EPA region will be issued as a site-specific IAG for the particular assignment. The issuing EPA region will forward all site-specific IAGs to CEMRD-RM-B for review in coordination with the Missouri River Division, HTRW and Engineering Directorate, HTRW Management Division, (CEMRD-ED-HS) to ensure that the IAG conforms with the EPA/USACE National IAG and to ensure that all Site-Specific IAGs are recorded in the USACE financial management system. The Site-Specific IAG will be transferred to the performing district for acceptance. Note: If other activities will be assisting on a particular assignment, the performing activity will provide the necessary funds to the supporting activity by MIPR. Only reimbursement authority of the IAG can be transferred to another activity.

b. Financial completion of an IAG occurs when:

- (1) All costs have been recorded.
- (2) Final payment (to Architect-Engineer and/or construction contractor, if applicable) has been made.
- (3) All obligations have been liquidated.
- (4) All accounts receivable have been collected.
- (5) All excess funds have been returned.

6. Requirements.

a. Management and Support IAG. Upon expiration of the M&S IAG, 60 days will be allowed for each MSC to review accounts, certify final costs, and notify HQUSACE (CEMP-RA) in writing of the amount of funds available for revocation. All MIPRs will automatically be closed within 90 days after they expire (MIPRs are issued with the same expiration date as the IAG that funds them) unless written justification is received and approved by HQUSACE (CEMP-RA). HQUSACE (CEMP-RA), in coordination with CEMP-RS, will notify EPA Headquarters in writing that the IAG is

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ready to be closed. CEMP-RA will also issue in coordination with CEMP-RS the total amount of funds utilized by IAG budget categories and the amount of excess funds to be revoked, if any. EPA Headquarters will prepare an amended IAG to reflect the total amount of funds utilized by budget categories and forward the IAG to HQUSACE (CEMP-RA). HQUSACE (CEMP-RA) will ensure that appropriate entries are initiated to remove the excess funds from the USACE accounting system and return them to Headquarters EPA. The goal is to financially close out M&S IAGs within six (6) months after they expire.

b. Generic (Multi-Site) IAG. The issuing EPA region will provide written notification to CEMRD-RM-B that the generic IAG is to be closed. The amount of any excess funds identified with the generic IAG to be revoked will be verified by CEMRD-RM-B. CEMRD-RM-B will coordinate with CEMRD-ED-HS and ensure that appropriate entries are initiated to deobligate excess funds in the USACE accounting system. The goal is to financially close out generic IAGs within six (6) months after written notification is received from EPA that all site-specific work authorization assignments issued from the generic IAG have been closed by EPA. Note: A generic IAG can only be closed after all site-specific work authorization assignments issued from the generic agreement are fiscally closed and all excess funds for each work authorization have been officially withdrawn by EPA. When the work assignment under a particular Superfund Generic IAG is fiscally complete, the performing activity will prepare a memorandum to the appropriate EPA region with a copy provided to CEMRD-RM-B stating the project is complete, the total funds utilized, and identifying any excess funds to be revoked. Attach to the CEMRD-RM-B copy, a final cost report as identified in Appendix A. When written notification is received from EPA, deobligated funds are returned to EPA but not to the generic IAG for subsequent site-specific assignments. The only circumstance in which funds may be returned to the generic IAG is if a site-specific work authorization assignment is cancelled in total prior to any obligation of funds by USACE. The goal is to financially close out all Work Authorization Forms within six (6) months after all work covered and funded under the particular assignment is completed, i.e., all conditions listed under paragraph 4b are met.

c. Site-Specific IAG. When the work assignment under a particular Superfund Site-Specific IAG is fiscally complete, the performing activity will prepare a memorandum to the appropriate EPA region stating the project is complete, the total funds utilized, and identifying any excess funds to be revoked. A copy will be provided to CEMRD-RM-B with an attached final cost report as identified in Appendix A. The performing activity will retain any excess funds in the accounting system until written notification is received from EPA that the excess funds are officially withdrawn. The EPA region will forward the official written closeout notification to CEMRD-RM-B. CEMRD-RM-B, in coordination with CEMRD-ED-HS, will transmit the EPA closeout notification to the appropriate performing activity. The performing activity will coordinate the closeout with the Resource Management Office and Superfund Division Coordinator. Resource Management Office will deobligate the excess funds in the USACE accounting system. The goal is to financially close out all Site-Specific IAGs within six (6) months after all site-specific work covered under the particular IAG is completed. Note: If other activities will be assisting on a particular assignment, upon completion of that assignment, the supporting activity should notify the issuing activity of the final costs. Unobligated balances, if any, should be returned to the issuing activity to close out the order. The goal is to financially close out all Intra-USACE Orders within three (3) months after all the work covered and funded under the particular Intra-USACE Orders is completed.

7. Implementation:

a. HQUSACE elements, MSCs, districts and laboratories performing work covered by an EPA/USACE IAG under the EPA Superfund Program shall establish as a minimum written procedures for the following:

(1) Review, on a quarterly basis, all IAGs which are due for financial closeout.

(2) Forecast closeouts consistent with IAG expiration date and take action to assure that closeouts are accomplished within the time frames stated in paragraphs 6a-c above.

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(3) Identify significant actions which must be completed to allow financial completion.

(4) Designate responsibilities of the Chiefs of Project Management, Program Management, Resource Management, etc. for financial closeout.

(5) Designate at least one individual to monitor and maintain current status of IAGs not financially closed out.

(6) Provide to HQUSACE (CEMP-RS), in writing within two weeks after the end of each quarter, copy furnished CEMRD-RM-B, a summary status report of those IAGs on which closeout procedures have been instituted. The summary report will be prepared in tabular form and list the following:

(a) Category/class/sub-class.

(b) Performing district.

(c) CWIS number.

(d) Project name.

(e) Amount of excess funds.

(f) Date EPA region was officially notified about the excess funds available to be returned.

b. MSC commanders shall monitor their districts' financial closeout performance and provide assistance when necessary.

FOR THE COMMANDER:



1 Appendix
App A - (Final
Cost Report)

WILLIAM D. BROWN
Colonel, Corps of Engineers
Chief of Staff

Appendix A
FINAL COST REPORT

A final cost report is required on every Superfund IAG or Work Authorization assignment. The reports will be utilized by the HTRW MCX to create a Superfund historical cost data base. The following are the cost elements to be provided on the summary report.

REMEDIAL DESIGN:

- a. Contract Payments. The sum of all payments to contractors for work and claims. Contract payments processed under the direct fund cite method are to be included.
- b. Contract Management Costs. All in-house charges, including departmental overhead but excluding General and Administrative (G&A) overhead, for the procurement of contracts and the management/review of contracted work.
- c. General and Administrative Overhead. Total G&A overhead assessed the project.
- d. In-House Design. For design accomplished with in-house forces, report two cost elements:
 - (1) In-house (excluding G&A);
 - (2) G&A Overhead.

REMEDIAL ACTION:

- a. Contract Payments. The sum of all payments to contractors for work and claims. Contract payments processed under the direct fund cite method are to be included.
- b. Contract Management Costs. All in-house charges, excluding G&A overhead, for supervision and inspection of contract work.
- c. Engineering and Design after Award - By Contract. Engineering and Design (E&D) after Award (By Contract).
- d. Engineering and Design after Award - By In-House. All in-house charges with the exception of G&A overhead.
- e. General and Administrative Overhead. Total G&A overhead assessed the project.

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TECHNICAL ASSISTANCE:*

- a. Contract Payments (If Applicable). The sum of all payments to contractors for work and claims.
- b. In-House Cost. All in-house charges, including departmental overhead but excluding G&A overhead.
- c. General and Administrative Overhead. Total G&A overhead assessed the project.

*Technical Assistance includes the following:

- Field Investigations
- Feasibility Studies
- Oversight of Remedial Design (Potential Responsible Party)
- Oversight of Remedial Action (Potential Responsible Party)
- Site Assessments
- Survey and Mapping
- Remedial Investigation/Feasibility Studies
- Emergency Technical Assistance
- Real Estate Relocations/Acquisitions
- Operations and Maintenance